

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

April 6, 2016

1776 Tribute Road, Suite 100, Sacramento, CA 95815

Brian Bullis, Board Chair
Mariposa County Fair (35-A DAA)

Dan Jacobs, Vice-Chair
Antelope Valley Fair
(By Telephone)

Patricia Conklin, Director
Dixon May Fair (36th DAA)
(By Telephone)

Jim Wolcott, Director
Lassen County Fair
(By Telephone, not voting)

John Quiroz, Director
Division of Fairs & Expositions

John Scurfield, Director
Chowchilla-Madera County Fair

Larry Moss, Director
Public Member

Christy Layton, Legal Counsel to CFSA
Renne Sloan Holtzman Sakai LLP

Becky Bailey-Findley, Executive Director
California Fair Services Authority

Rebecca Desmond
Deputy Executive Director
California Fair Services Authority

Raechelle Gibbons, Controller
California Fair Services Authority

Kevin Wright, Mgr of Business Services
California Fair Services Authority

Charlie Mitchell, Risk Manager
California Fair Services Authority

Tom Amberson, Risk Control Manager
California Fair Services Authority

Melissa Thurber, Communication Director
California Fair Services Authority

Bryan Eubanks, Construction Manager
California Fair Services Authority

Barbara Tyler, Liability Claims Manager
California Fair Services Authority

Mike Harrington, Bickmore Risk Services

Jamie Matthews, Gilbert & Associates

I. CALL TO ORDER

Pursuant to the meeting notice, a regular teleconference meeting of the California Fair Services Authority (CFSA) Board of Directors was convened at

10:03 a.m., April 6, 2016, by Board Chair Brian Bullis, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

II. APPROVAL OF MINUTES

Moved by Director Moss and seconded by Director Jacobs to adopt **Resolution No. 16-07** approving the minutes of the regular meeting of February 3, 2016, as presented to the Board of Directors.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Quiroz, Moss

Noes: None

Abstain: Director Scurfield

Absent:

III. ADOPTION OF RESOLUTION ACCEPTING 2015 ACTUARIAL REPORTS FOR GENERAL LIABILITY, WORKERS' COMPENSATION, AND SPECIAL EVENTS PROGRAMS

CFSA contracts with Bickmore annually for actuary studies on the General Liability, Workers' Compensation and Special Events Liability programs. The studies are conducted at year end in order to have accurate claims data for the policy year.

In the General Liability program, loss development has been unfavorable this year, driven by large claims from 2013. Liabilities are down, with assets between 75% and 80% confidence level. In the Workers' Compensation program, loss development has been favorable this year. Liabilities are up slightly, with assets between 85% and 90% confidence level.

In the Special Events Liability program, loss development has been slightly greater this year. Liabilities are down, with assets between 80% and 85% confidence level.

Moved by Director Moss and seconded by Director Scurfield to adopt **Resolution No. 16-08** accepting the 2015 actuarial reports. Director Conklin stepped away from the meeting during this discussion and vote.

Ayes: Chair Bullis, Directors Jacobs, Scurfield, Quiroz, Moss

Noes: None

Abstain: None

Absent: Director Conklin

IV. INFORMATION ITEM #1, PRELIMINARY REPORT ON 2015 CFSA AUDIT BY GILBERT AND ASSOCIATES.

Jamie Matthews from Gilbert & Associates presented the audit for CFSA 2015 financial statements. At this time they are unable to finalize the audit due to

needed information to be provided by CalPERS for the GASB 68 pension liability reporting requirement. No action taken.

V. ADOPTION OF RESOLUTION APPROVING 2016 GENERAL LIABILITY FEES

For the last several years, the General Liability Pool Program has been supplemented with money from the reserve funds. General Liability Pool claims have developed greater than expected. Fees were kept stable to assist members with challenging economic conditions and the lack of State funding. As costs continue to increase, it is prudent to begin contributing to the reserve funds that support the general liability pool program by aggressively working with fairs to reduce risk and to raise fees conservatively.

Moved by Director Jacobs and seconded by Director Moss to adopt **Resolution No. 16-10** approving a General Liability Program base fee increase of 10% in 2016.

Ayes: Chair Bullis, Directors Jacobs, Quiroz, Scurfield, Moss
Noes: None
Abstain: Director Conklin
Absent: None

VI. ADOPTION OF RESOLUTION APPROVING THE 2016 WORKERS' COMPENSATION FEES

The trend for the Workers' Compensation Pool program is that claims have developed as expected, or less. Fees are adequately covering claim expenses and have been contributing to the reserve funds.

Moved by Director Jacobs and seconded by Director Moss to approve **Resolution No. 16-11** approving the 2016 Workers' Compensation Fees as follows:

1. The base fee is reduced to 5.8% for fairs that are members of both the Workers' Compensation and General Liability Programs; and
2. The base fee remains at 6% for fairs that are members of the Workers' Compensation Program only.

Ayes: Chair Bullis, Directors Jacobs, Scurfield, Moss, Quiroz
Noes: None
Abstain: Director Conklin
Absent: None

VII. ADOPTION OF RESOLUTION APPROVING THE FINAL 2016 CFSA OPERATING BUDGET

The 2016 preliminary budget has been revised to reflect changes based on the 2015 actuary reports. Management met with the CFSA Board Budget Committee and reviewed a variety of options, taking into consideration the data provided by the 2015 actuary report and recommendations from staff. Proposed changes include:

1. 10% increase in General Liability base rate and updated actual losses

- through December 2015.
2. Workers' Compensation reduced to 5.8% base rate for members of both General Liability and Workers' Compensation program pools, and 6% base rate for members of the Workers' Compensation pool only. The changes also reflect revised actual 2015 W-3 wages and volunteer hours and updated actual losses through December 2015.
 3. Unrealized losses for Liability program changed to \$937,000 from 2015 budget of \$924,000.
 4. Unrealized losses for Workers' Compensation program changed to \$2,016,000 from 2015 budget of \$1,878,000.
 5. Unrealized losses for special events program changed to \$175,000 from 2015 budget of \$191,000.
 6. Slight increase in depreciation to reflect replacement of HVAC system to 1776 Tribute Road.
 7. Slight adjustment to cost of Excess Insurance which reflects actual.
 8. Staff merit increases ranging from 3% to 5% with Executive Management approval.

Moved by Director Scurfield and seconded by Director Jacobs to approve **Resolution No. 16-09** approving the final 2016 CFSA operating budget. Director Conklin had stepped away from this discussion and vote.

Ayes: Chair Bullis, Directors Jacobs, Quiroz, Scurfield, Moss
Noes: None
Abstain: None
Absent: Director Conklin

VIII. ADOPTION OF RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT FOR PROFESSIONAL DEVELOPMENT FOR CALIFORNIA FAIRS WITH THE CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE BRANCH OF FAIRS & EXPOSITIONS

CFSA executive staff is working with CDFA's Branch of Fairs & Expositions on a new contract to continue professional development training for California fairs, including regional trainings, bio security training, a judges' conference, quality assurance and ethics training regarding livestock competitions, and updating the California fair economic impact report. The proposed contract totals \$83,075 and would run June 15, 2016 through February 28, 2017. The contract will be using F&E 2015-2016 training funds.

Moved by Director Scurfield and seconded by Director Moss to approve **Resolution No. 16-12** authorizing the Executive Director to execute a contract for professional development for California fairs with the California Department of Food & Agriculture Branch of Fairs & Expositions. Director Quiroz left the meeting during this discussion and vote, and did not return.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Scurfield, Moss

Noes: None
Abstain: None
Absent: Director Quiroz

IX. INFORMATION ITEMS

1. Staff reports were presented as written:
 - a. Administrative Services (Kevin Wright)
 - b. Construction Department (Bryan Eubanks)
 - c. Finance Department (Raechelle Gibbons)
 - d. Risk Management (Charlie Mitchell)
 - e. Risk Control (Tom Amberson)

2. Executive Director Report was presented by Becky Bailey-Findley.
 - a. Update on CFSA Strategic Planning
 - b. Organizational Structure and Study
 - c. Regional Trainings offered in February
 - d. Strategic Planning with Member Fairs

3. Director's Reports: None

4. Next Board Meeting is scheduled for June 1, 2016 at 10:00 a.m.

VIII. Closed Session

The Board adjourned from regular session at 12:41 p.m. and after a break, went into closed session at 12:54 p.m. to discuss the liability claims (Government Code Section 54956.95) involving:

Tanya Purvis and Kyle Purvis and the 27th DAA

Donald E. Shields, Sr. and Donald E. Shields, Jr. and the Cloverdale Citrus Fair.

Clifford J. Gordon II, Dana L. Bell, and Lyle L. Bell and the 28th DAA.

Conference with Legal Counsel –Existing Litigation (Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

Tim Crews dba Sacramento Valley Mirror v CFSA) Sacramento Superior Court Case No 34-2015-80002227)

Public Employee Performance Evaluation (Government Code Section 54957
Title: Executive Director

VII. ADJOURNMENT

The Board adjourned from Closed Session at 1:35 p.m. and resumed regular session. There was no reportable action taken during closed session. The meeting was adjourned at 1:36 p.m.

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Lucia Balle

CHAIR

ATTEST:

MM

SECRETARY